

**State of Connecticut  
Office of Health Care Access  
Letter of Intent/Waiver Form  
Form 2030**

CONNECTICUT OFFICE OF  
HEALTH CARE ACCESS

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RECEIVED

All Applicants must complete a Letter of Intent (LOI) form prior to submitting a Certificate of Need application, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-643-79 of OHCA's Regulations. Please submit this form to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, MS# 13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

**SECTION I. APPLICANT INFORMATION**

If there are more than two Applicants, please attach a separate sheet of paper and provide additional information in the format below.

	Applicant One	Applicant Two
Full legal name	Gaylord Hospital, Inc.	
Doing Business As	N/A	
Name of Parent Corporation	Gaylord Hospital, Inc.	
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	P.O. Box 400 Gaylord Farm Road Wallingford, CT 06492	
Applicant type (e.g., profit/non-profit)	Not-for-profit	
Contact person, including title or position	Ms. Jacqueline Epright Director of Business Development Support	
Contact person's street mailing address	P.O. Box 400 Gaylord Farm Road Wallingford, CT 06492	
Contact person's phone #, fax # and e-mail address	203-284-2725 phone 203-741-3408 fax jepright@gaylord.org	

**SECTION II. GENERAL APPLICATION INFORMATION**

a. Proposal/Project Title:

Gaylord Hospital Bed Expansion

b. Type of Proposal, please check all that apply:

☒ Change in Facility (F), Service (S) or Function (Fnc) pursuant to Section 19a-638, C.G.S.:

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> New (F, S, Fnc)         | <input type="checkbox"/> Replacement   | <input type="checkbox"/> Additional (F, S, Fnc)         |
| <input type="checkbox"/> Expansion (F, S, Fnc)   | <input type="checkbox"/> Relocation    | <input type="checkbox"/> Service Termination            |
| <input checked="" type="checkbox"/> Bed Addition | <input type="checkbox"/> Bed Reduction | <input type="checkbox"/> Change in<br>Ownership/Control |

☒ Capital Expenditure/Cost, pursuant to Section 19a-639, C.G.S.:☒ Project expenditure/cost cost greater than \$ 1,000,000☐ Equipment Acquisition greater than \$ 400,000

- |                                  |   |  |
|----------------------------------|---|--|
| <input type="checkbox"/> New     | <input type="checkbox"/> Replacement        | <input type="checkbox"/> Major Medical |
| <input type="checkbox"/> Imaging | <input type="checkbox"/> Linear Accelerator |  |

☐ Change in ownership or control, pursuant to Section 19a-639 C.G.S., resulting in a capital expenditure over \$1,000,000

c. Location of proposal (Town including street address):

Gaylord Farm Road, Wallingford, CT 06492

d. List all the municipalities this project is intended to serve:

Gaylord Hospital services patients who live throughout Connecticut as well as some areas outside the State. More than 171 different patient towns of origin were represented during FY 2005. The towns providing 30 or more patients were: Waterbury, Wallingford, New Haven, Meriden, Middletown, Hamden, Cheshire, Naugatuck, West Haven and North Haven.

e. Estimated starting date for the project: October 1, 2008

- f. Type of project: 10- Long Term Chronic Disease Hospital (Fill in the appropriate number(s) from page 7 of this form)

**Number of Beds (to be completed if changes are proposed)**

Type	Existing Staffed	Existing Licensed	Proposed Increase (Decrease)	Proposed Total Licensed
Long Term Chronic Disease Hospital	102	109	29	138

**SECTION III. ESTIMATED CAPITAL EXPENDITURE INFORMATION**

- a. Estimated Total Capital Expenditure: \$ 21,821,000
- b. Please provide the following breakdown as appropriate:

Construction/Renovations	\$19,671,000
Medical Equipment (Purchase)	1,450,000
Imaging Equipment (Purchase)	0
Non-Medical Equipment (Purchase)	700,000
Sales Tax	0
Delivery & Installation	0
<b>Total Capital Expenditure</b>	<b>\$21,821,000</b>
Fair Market Value of Leased Equipment	0
<b>Total Capital Cost</b>	<b>\$21,821,000</b>

**Major Medical and/or Imaging equipment acquisition:**

Equipment Type	Name	Model	Number of Units	Cost per unit
<b>Not Applicable</b>				

Note: Provide a copy of the contract with the vendor for major medical/imaging equipment.

c. Type of financing or funding source (more than one can be checked):

- ☒ Applicant's Equity      ☐ Lease Financing      ☒ Conventional Loan  
☒ Charitable Contributions      ☐ CHEFA Financing      ☐ Grant Funding  
☐ Funded Depreciation      ☐ Other (specify): \_\_\_\_\_

**SECTION IV. PROJECT DESCRIPTION – SEE ATTACHMENT A FOR RESPONSE**

Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following (if applicable):

1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.
2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?
3. Who is the current population served and who is the target population to be served?
4. Identify any unmet need and how this project will fulfill that need.
5. Are there any similar existing service providers in the proposed geographic area?
6. What is the effect of this project on the health care delivery system in the State of Connecticut?
7. Who will be responsible for providing the service?
8. Who are the payers of this service?

**If requesting a Waiver of a Certificate of Need, please complete Section V.**

**SECTION V. WAIVER OF CON FOR REPLACEMENT EQUIPMENT**

I may be eligible for a waiver from the Certificate of Need process because of the following: (Please check all that apply)

- ☐ This request is for Replacement Equipment.
  - ☐ The original equipment was authorized by the Commission/OHCA in Docket Number: \_\_\_\_\_.
  - ☐ The cost of the equipment is not to exceed \$2,000,000.
  - ☐ The cost of the replacement equipment does not exceed the original cost increased by 10% per year.

Please complete the attached affidavit for Section V only.

**ATTACHMENT A****SECTION IV: PROJECT DESCRIPTION****BACKGROUND INFORMATION**

Gaylord Hospital is a private, not-for-profit facility located on 500 acres overlooking the town of Wallingford. Gaylord Hospital is licensed by the Connecticut Department of Public Health as a long-term chronic disease hospital (licensed under Connecticut Public Health Code). Gaylord Hospital operates as a long-term acute care hospital that specializes in the care and treatment of medically complex patients and rehabilitation. Long-term acute care (LTAC) is a recognized designation by the Centers for Medicare and Medicaid Services for acute care hospitals whose average length of stay is at least 25 days. LTAC hospitals provide specialized care services to manage medical conditions, so that patients with catastrophic or acute illnesses and injuries can work toward recovery. All inpatient services are provided at the Wallingford campus at Gaylord Farm Road in Wallingford, Connecticut.

Gaylord Hospital is currently licensed for 109 beds, although due to space limitations is only able to operate 102 beds. Occupancy rates have exceeded 90% during the past two years and for the most recent nine-month period was 95%. Demand for Gaylord's inpatient services continues to grow and cannot be met with the current number of licensed beds. Gaylord Hospital is seeking approval to increase its licensed beds from 109 to 138.

**1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.**

Gaylord Hospital's inpatient services are categorized into two divisions, medical and rehabilitation.

Patients in both divisions receive 24 hour nursing care and a physician is on-site, as is a respiratory therapist, at all times. The Medical division provides care for patients with complicated medical issues due to illness, injury, or postoperative complications. Programs within the Medical division serve many types of patients. In the Medical division there are programs dedicated to the care and weaning of ventilator patients and pulmonary patients. Gaylord's medical and respiratory staff has acclaimed expertise in the care and weaning of patients from ventilators used for breathing. This care includes cardiac monitoring and due to a recent educational initiative, more than 15 of our staff nurses, and all of our shift nursing supervisors, are ACLS certified. The pulmonary program offers care to patients suffering from chronic respiratory insufficiency. Patients in all programs participate in therapy to maximize their general conditioning and mobility.

The Rehabilitation division offers programs specializing in: brain injury, neurological rehabilitation, orthopedics, spinal cord injury and stroke. The inpatient component of Gaylord's brain injury program treats many patients emerging from coma following illness or injury. The spinal cord injury program treats patients who have experienced spinal cord injury as well as those with nerve diseases and tumors affecting spinal function. Gaylord's stroke program helps patients recover during the period immediately following the event. The young stroke program is open to individuals who are actively working, enrolled in school, and /or under the age of 60.

Patients in both divisions strive to attain the highest level of functionality possible. Remarkably, despite their severity of illness, most of our patients return home after discharge.

See **Attachment B** for a copy of Gaylord Hospital's DPH License

**2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?**

The Applicant is seeking to expand the number of inpatient beds in order to better meet the current and future demand of patients. The same inpatient services that are currently offered will be offered in the future, however additional inpatient capacity is required to meet the current and future demand.

No new DPH licensure categories are being sought.

**3. Who is the current population served and who is the target population to be served?**

Over the last year (4/1/05-3/31/06), Gaylord Hospital served 1,279 inpatients from 171 towns within Connecticut and some outside of Connecticut. As described in the response to Question 1, patients requiring Gaylord's inpatient services include those patients who require extended hospitalization (25+ days) for the treatment of serious medical conditions and injuries.

The target population is expected to be the same as the current population served, although more patients with medical complexity are expected. Patients are typically referred from acute care hospitals.

**4. Identify any unmet need and how this project will fulfill that need.**

As previously noted, Gaylord Hospital has been operating at 90% occupancy during the past two years and for the most recent nine-month period was at 95%.

An independent analysis was conducted by Fowler Associates, Inc., a consulting firm specializing in LTACs. Fowler Associates was previously engaged by Gaylord Hospital to quantify the demand in a previous OHCA CON filing supporting the St.

Mary's LTAC beds. The current analysis identified an LTAC need in the current service area of 217 beds from patients with a hospital length of stay of 15 days or more. Gaylord is currently licensed for 109 beds and is the only LTAC provider in the service area.

**5. Are there any similar existing service providers in the proposed geographic area?**

There are no other similar providers in our service area. The Hospital for Special Care in New Britain Connecticut is the only other LTAC provider in Connecticut.

**6. What is the effect of this project on the health care delivery system in the State of Connecticut?**

The effect of this proposal will be positive on the health care delivery system in the State of Connecticut. Gaylord Hospital is a more appropriate setting for patients requiring extended hospital stays for certain medical conditions or injuries. Acute care hospitals focus on the rapid admission and discharge of most patients (average length of stay in 2004 was 4.9 days). Two referring acute care hospitals are adding inpatient beds and many are operating at high occupancy levels. The additional beds at Gaylord Hospital will help to relieve some of the capacity issues at referring acute care hospitals as well as provide patients with an environment that is more conducive to longer inpatient stays and rehabilitation.

**7. Who will be responsible for providing the service?**

Gaylord Hospital will be responsible for providing this service.


**8. Who are the payers of this service?**

Gaylord Hospital contracts with all governmental and 3<sup>rd</sup> party payers that operate in Connecticut. Payer mix is not expected to be impacted by the increase in bed capacity.



**AFFIDAVIT**Applicant: Gaylord Hospital, Inc.Project Title: Gaylord Hospital Bed ExpansionI, James J. Cullen, CEO  
(Name) (Position – CEO or CFO)Of Gaylord Hospital, Inc. being duly sworn, depose and state that theinformation provided in this CON Letter of Intent/Waiver Form (2030) is true and accurate to the best of my knowledge, and that Gaylord Hospital, Inc. complies with  
(Facility Name)

the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

  
Signature7/26/06  
DateSubscribed and sworn to before me on 7/26/06  
Notary Public/Commissioner of Superior Court  
MY COMMISSIONEXPIRES  
My commission expires: 03/31/2011